

Minutes
Joint Legislative Program Evaluation Oversight Committee Meeting
August 15, 2012

Members Present

Chair, Senator Fletcher Hartsell
Senator Dan Clodfelter
Senator Rick Gunn
Senator Ralph Hise
Senator Neal Hunt
Senator Wes Westmoreland

Chair, Representative Julia Howard
Representative Bryan Holloway
Representative David Lewis
Representative Marvin Lucas
Representative Tim Moffitt
Representative Edgar Starnes

Other Legislators Present

Senator Andrew Brock

Call to Order

Senator Fletcher Hartsell, Chair, called the meeting to order.

Senator Hartsell welcomed Representative Tim Moffitt as a new member of the committee.

Representative Lucas moved to approve the *Minutes* of July 18, 2012 meeting as presented. Motion carried.

Presentations and Appearances

Senator Hartsell recognized Beth Wood, State Auditor, to present audit findings from the audit report *DHHS Medicaid Fraud Recovery Contracts*. The Auditor explained that the audit covered July 1, 2010 through January 31, 2012 and included selected internal controls and financial management practices in the Division of Medical Assistance, Division of Information Resource Management and the Program Integrity Section of DMA. The findings included deficiencies in oversight and controls over contracts to detect improper vendor payments including contracts with IBM, SAS, and PCG. Michael Watson, Director of Director of Medical Assistance and Carol Arson, DMA responded.

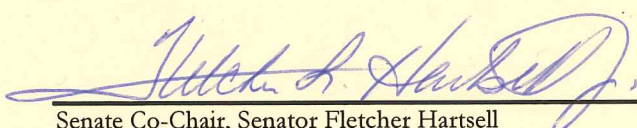
Senator Hartsell recognized Hal Pell, Counsel to present a draft of a bill that would amend the law requiring review of certain state contracts that exceed one million dollars to require establishment of review procedures and verification that statutory requirements have been met. Sam Byassee, State Purchasing Officer, Department of Administration; Brooks Skinner, Associate VP for Legal Affairs, UNC General Administration; and Grayson Kelly, Chief Deputy Attorney General responded.

Instruct Staff

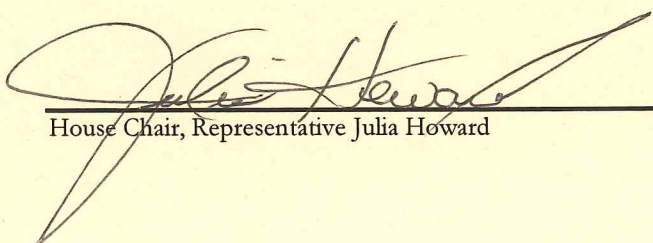
Senator Hartsell pointed out that there was sufficient time before the next legislative session to further examine whether the State needed a more thorough process for development, negotiation and administration of State contracts. He noted that the committee would consider the training and certification issue further at the October meeting and address proposed legislation at a future meeting.

Adjournment

With no further business before the committee, the committee adjourned.



Senate Co-Chair, Senator Fletcher Hartsell



House Chair, Representative Julia Howard